

Home

Kochs Bankroll Move to Rewrite the Constitution

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By Alex Kotch, CMD contributor

A constitutional convention, something thought impossible not long ago, is looking increasingly likely. Under Article V of the U.S. Constitution, if 34 state legislatures "issue a call" for a constitutional convention, Congress must convene one. By some counts, the right-wing only needs six more states. Once called, delegates can propose and vote on changes and new amendments to the U.S. Constitution, which, if approved, are currently required to be ratified by 38 states.

There are two major legislative pushes for a convention at the state level. One would attempt to engineer a convention for a balanced budget amendment only, and the other tries to secure an open convention for the purpose of limiting the power and jurisdiction of the federal government. But once a convention is underway, all bets are off. The convention can write its own rules, resulting in a wide-open or "runaway" convention that can make major changes to the constitution and, some argue, even change the number of states required to ratify those changes.

If America gets saddled with a runaway convention, the Koch coterie of funders will be to blame. Most of the groups pushing the convention idea are being underwritten by one or more institutions tied to billionaire industrialists Charles and David Koch.

Attempts to Limit Topic of the Convention Likely to Fail

On Feb. 24, Wyoming became the 29th state to pass a resolution requesting a convention specifically to add a single balanced budget amendment to the Constitution. Many of these legislative resolutions also attempt to set the rules for the convention and limit who can attend it to a select list of largely GOP state leaders.

Austerity advocates claim that they need only to convince five of seven targeted states—Arizona, Kentucky, Minnesota, Montana, South Carolina, Virginia, and Wisconsin—to get on board, and they will have enough states to convene a convention. As the Center for Media and Democracy has reported, three linked measures were just introduced in Wisconsin and were placed on a fast track to approval.

Another faction representing a broader "Convention of States" initiative is advocating an open constitutional convention to limit "the power and jurisdiction of the federal government." Because this open convention format would be called on a particular subject rather than a particular amendment, representatives would likely vote on any number of measures.

Legislatures in nine states—Arizona, Georgia, Alaska, Florida, Alabama, Tennessee, Indiana, Oklahoma, and Louisiana—have signed on to the Convention of States resolution,. Texas appears likely to join in, as the state Senate approved a Convention of States bill in February. Republican Gov. Greg Abbott is fiercely campaigning for a convention and has deemed it an "emergency issue." In 2016, he published a 70-page plan that includes nine proposed amendments aimed at severely limiting federal authority, even allowing a two-thirds majority of the states to override a Supreme Court ruling or a federal law.

Groups like the Center on Budget and Policy Priorities, Common Cause, and the Center for Media and Democracy have raised the alarm about these efforts. No convention has been called since 1787 in Philadelphia where George Washington presided.

The Center on Budget and Policy Priorities explains why any convention call, no matter how narrowly written, is likely to result in a "runaway" convention. A convention is empowered to write its own rules, including how delegates are chosen, how many delegates attend and whether a supermajority is required to approve amendments.

Nothing in the Constitution prevents a convention, once convened, from setting its own agenda, influenced by powerful special interests like the Koch groups. A convention could even choose an entirely new ratification process. "The 1787 convention ignored the ratification process under which it was established and created a new one, reducing the number of states needed to approve the new Constitution and removing Congress from the approval process," writes CBPP.

Legal uncertainly surrounds the entire effort, which is sure to be litigated if successful. For instance, are states bound by resolutions passed many years ago? Will states withdraw their approval? Some states,

like Delaware and New Mexico, have already moved to do so.

The Koch Connection to the Push for a Constitutional

Convention

Libertarian billionaires Charles and David Koch have long opposed federal power and federal spending. Koch Industries is one of the nation's biggest polluters and has been sanctioned and fined over and over again by both federal and state authorities. In response, the Kochs have launched a host of "limited government" advocacy organizations and have created a massive \$400 million campaign finance network, fueled by their fortunes and those of their wealthy, right-wing allies, that rivals the two major political parties.

The Kochs' Americans for Prosperity says it favors a balanced budget convention. Such an austerity amendment would drastically cut the size of the federal government, threatening critical programs like Social Security and Medicare and eviscerating the government's ability to respond to economic downturns, major disasters and the climate crisis.

AFP has opposed an open convention, calling it "problematic." But whatever qualms the Kochs might have, they continue to be a bedrock funder of the entire convention "movement."

Running the "Convention of States initiative" is an Austin, Texas-based 501(c)(3) nonprofit called Citizens for Self-Governance (CSG). CSG reported revenue of \$5.7 million in 2015, more than double its haul from two years earlier, when it launched its Convention of States Project, according to Dallas News. It now boasts 115,000 "volunteers," although that figure may represent the number of addresses on its email list.

The group is not required to disclose its donors, but research into other organizations' tax records by the Center for Media and Democracy, Conservative Transparency and this author show a web of Kochlinked groups having provided nearly \$5.4 million to CSG from the group's founding in 2011 through 2015:

- Donors Trust, a preferred secret money conduit for individuals and foundations in the Koch network of funders, has given CSG at least \$790,000 since 2011.
- The Greater Houston Community Foundation, which is funded by Donors Capital Fund (linked to Donors Trust) and the Kochs' Knowledge and Progress Fund, has donated over \$2 million since 2011.
- The Vanguard Charitable Endowment Program, which has received hundreds of thousands of dollars from Donors Capital Fund, gave \$2.5 million from 2012-2013.

Citizens for Self-Governance also has two Koch-connected board members. Eric O'Keefe is a director of the Wisconsin Club for Growth, a group which has taken in considerable funding from Koch-linked groups like the Center to Protect Patient Rights, and was at the center of the long-running "John Doe" criminal investigation of Scott Walker's campaign coordination with dark money groups.

O'Keefe was the national field coordinator for the Libertarian Party when David Koch ran for Vice President in 1979 on the Libertarian Party ticket. The party's platform called for the end of campaign finance law, the minimum wage, "oppressive Social Security," Medicaid, Medicare and federal deficit spending.

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The Koch agenda has not changed much since.

Another board member is Tim Dunn, an oilman from Midland, Texas who is vice chairman of the Texas Public Policy Foundation (TPPF), a right-wing think tank that's raked in over \$1 million from Koch family foundations, \$160,000 from Koch Industries in 2012 alone and at least \$1.8 million from Donors Trust and Donors Capital Fund.

Dunn runs another political group, Empower Texans, which supports Republican candidates and has taken in funds from Donors Trust and "Americans for Job Security," a Koch-tied dark money group that was slapped with a severe fine by the FEC for its involvement in a dark money shell game intended to disguise the origin of its funds.

Both TPPF and Empower Texans back the constitutional convention idea.

What's more, a 501(c)4 nonprofit connected to CSG, the Alliance for Self-Governance (which does business as Convention of States Action), received \$270,000 in 2012 from Americans for Limited Government, which has received funding not only by Donors Capital Fund but by two Koch-funded political groups, the Center to Protect Patient Rights and Americans for Job Security.

Those two groups exchanged millions of dollars in 2010 and 2012, illegally hiding the source of funding for political expenditures, lying to the Internal Revenue Service and making unlawful contributions to pass-through groups, prompting investigations and historic fines by the both the State of California and the Federal Elections Commission. Eric O'Keefe's Wisconsin Club for Growth also funneled \$450,000 to

Alliance for Self-Governance in 2012, at a time when WCFG was battling the Walker recall.

Any time any organization is named "self-governance" or "limited government" you can be sure that Wisconsin's Eric O'Keefe is either a founder or on the board, and indeed O'Keefe is tied to all three organizations: CSG, the Alliance for Self-Governance and Americans for Limited Government.

If the Kochs and their friends don't want an open constitutional convention, they've sure done a lot to aid the effort.

American Legislative Exchange Council

CSG also has ties to the American Legislative Exchange Council (ALEC), a corporate bill mill that unites conservative politicians with big-business lobbyists who develop cookie-cutter "model" legislation behind closed doors at ALEC meetings.

ALEC has long been funded by Koch Industries and a representative of Koch Industries sits on its executive board, while representatives from the Kochs' Americans for Prosperity groups fund and sit on various committees. ALEC has also received funding from Koch family foundations. CMD estimates this funding to be over \$1 million, though the actual total could be much higher. In addition, ALEC gets funding from Donors Trust and Donors Capital Fund.

According to Common Cause, "no group has been more influential" in promoting an Article V convention than ALEC. In 2011, ALEC commissioned a handbook for state legislators on how to push for a constitutional convention. The group has produced at least three model balanced budget amendment bills and has endorsed several model bills calling for a convention to vote on constitutional amendments, such as requiring Congress to get approval by two-thirds of the states before imposing new taxes or increasing the federal debt or federal spending.

CSG has sponsored ALEC conferences and led sessions focused on a constitutional convention. In 2015, ALEC's board of directors officially endorsed CSG's open convention plan as a "model" bill. The group had previously endorsed a balanced-budget-only plan. ALEC's Jeffersonian Project, a 501(c)(4) nonprofit formed in 2013, has been lobbying state legislators to propose such a convention, CMD reports.

More Koch Money Pushing Austerity Amendment

Another group, the Florida-based Balanced Budget Amendment Task Force, is backing a balanced budget convention bill that 29 states have approved. In its effort, the group has lobbied for the bill and

attended ALEC conferences and other similar events. On its website, the task force lists ALEC and the Heartland Institute as partner organizations.

"ALEC has been instrumental in providing us a forum within which to present our campaign, recruit sponsors, and approve model legislation that legislators can be confident in," claims the site.

Another big backer of the balanced budget amendment approach is the Chicago-based Heartland Institute, which is also tied to the Koch brothers. A member of ALEC, it has received \$5.6 million from the Donors Capital Fund since 2011 and tens of thousands of dollars each from the Charles Koch Foundation and the Claude R. Lambe Foundation. Heartland publishes posts praising or defending the Kochs and even put out an annual environmental report from Koch Industries.

"The Heartland Institute has put the full weight of its influence behind the BBA Task Force as well as other campaigns in order to encourage the states to use their power to amend the U.S. Constitution," reads the site.

Compact for America, formed by a former counsel with the conservative Goldwater Institute and staffed by more Goldwater alumni, has its own balanced budget convention proposal, which only four states have signed on to. The institute, which promotes many of ALEC's model bills, has taken in big donations from Donors Trust, Donors Capital Fund and the Charles Koch Foundation.

If America faces the madness of a runaway convention, voters of both parties will know whom to blame.

Mary Bottari contributed to this article.



Democracy Koch Exposed





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Comments

Sharon C replied on March 24, 2017 - 12:09pm PERMALINK

NO CONSTITUTIONAL CONVENTION - ARTICLE V CONVENTION OF STATES

The very first line of this article has a glaring inaccuracy. There is ZERO chance that we will have a constitutional convention any time in the near future. Nobody is advocating for that. However, there is a increasing chance that we will see an Article V convention of the states. They are NOT the same thing. An Article V convention is called under the authority of the existing Constitution. Contrary to the statement in the article, such a convention is strictly limited by the authority of the state legislatures to the subject matter specified in the resolution. The idea that this could result in an open-ended convention that would effectively rewrite the Constitution (as the title implies) is simply a falsehood. reply

Bev Ehlen replied on April 3, 2017 - 9:10am PERMALINK

ARTICLE V CONVENTION TO PROPOSE AMENDMENTS TO THE CONSTITUTION

Sharon-There are no guarantees. COS and those pushing an Article V are either deceived or are willing to deceive. This is ALL we have regarding an Article V-"The Congress, whenever two thirds of both houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two thirds of the several states, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three fourths of the several states, or by conventions in three fourths thereof, as the one or the other mode of ratification may be proposed by the Congress; provided that no amendment which may be made prior to the year one thousand eight hundred and eight shall in any manner affect the first and fourth clauses in the ninth section of the first article; and that no state, without its consent, shall be deprived of its equal suffrage in the Senate."

reply

small town reporter replied on April 1, 2017 - 11:30pm PERMALINK

STATES RESCINDING APPLICATIONS FOR CONVENTION

Currently there are blue states scurrying to prevent a convention because of the extreme austerity that would follow. Does your current tally of 28 states with balance budget calls include Delaware, which rescinded their call last year, and Maryland, which will pass a resolution this week to recall all four of the state's calls dating back to 1933? I think the count should factor those running like hell from a convention. There's also the legal question whether you can recall an application to Congress for a convention, kinda' like a bad tweet you wish hadn't sent.



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